



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

Senator Lesser, Representative Wood, Senator Hwang, Representative Pavalock-D'Amato and members of the Insurance and Real Estate Committee, the Connecticut Insurance Department thanks you for the opportunity provide written testimony that is technical in nature on the following bills:

SB 415 AN ACT CONCERNING STEP THERAPY, ADVERSE DETERMINATION AND UTILIZATION REVIEWS.

HB 5446 AN ACT CONCERNING EQUAL COVERAGE FOR MEDICALLY NECESSARY INFERTILITY TREATMENTS.

Under the ACA, Essential Health Benefits are those mandated benefits that states enacted on or before December 31, 2011. The state is required to defray the cost of any new mandated benefit or expanded benefit added after this date. Section 1311(d)(3)(B) of the ACA permits a state to require Qualified Health Plans, which are sold through the Exchange, to offer benefits in addition to the Essential Health Benefits already selected by Connecticut, but it requires the state to defray the cost of these additional benefits for all members in Exchange plans whether they qualify for a federal subsidy or not. See also 45 CFR Section 156.111 (annual reporting of state required benefits).

The Department of Health and Human Services (HHS) issued a final rule (45 CFR 155.170) on February 25, 2013, amended on March 8, 2016, that recognizes only those mandated benefits that were enacted on or before December 31, 2011 to be considered part of the Essential Health Benefits. The state would be required to make payment to defray the cost of any new benefits specific to care, treatment and services which are enacted after that date. We are separately also required to cover these new benefits on the state employee health plan.

We indicate this could be a new mandate because CMS ultimately makes the final decision on what constitutes a new coverage mandate and not the Insurance Department. If these items are determined to be mandates, then the federal subsidy would not cover that portion of the premium, the carriers would remove the cost of the mandate from their premium, and the State would reimburse the carriers for the mandated premium.

Thank you for the opportunity to provide written testimony today. CID stands ready to assist with any questions any members may have.